



The IAA and its Role in Shaping the Future of the Actuarial Profession

Actuarial Society of South Africa

2008 Convention

23 October, 2008

Katsumi Hikasa, FIAJ

President-elect of the IAA



International Actuarial Association

- IAA, founded in 1895, is not-for-profit, non-political, non-governmental organization
- Secretariat in Ottawa, Canada
- In 1998, the IAA reorganized its structure to become an association of professional actuarial associations worldwide.



International Actuarial Association

- 60 Full Members and 25 Associate Members
- 4 Institutional Members:
 - International Association of Insurance Supervisors (IAIS)
 - International Social Security Association (ISSA)
 - International Accounting Standards Board (IASB)
 - International Organization of Pension Supervisors (IOPS)



IAA Full Membership

- Requirements
 - Code of conduct
 - Formal discipline process
 - Formal process to adopt standards of practice
 - if and when national standards are created
 - IAA Education Guidelines and Syllabus
- Each full member association entitled to appoint one Delegate to the Council



IAA Sections

- ASTIN - Actuarial Studies In Non-life Insurance
- IACA - International Association of Consulting Actuaries
- AFIR - Actuarial Approach for Financial Risks
- IAAHS - IAA Health Section
- PBSS - Pensions, Benefits and Social Security Section
- AWF - Actuaries Without Frontiers
- LIFE



IAA Committees and Sections

- Through its Committees and Sections, the IAA enhances efficiency of its member associations
- Leveraging the combined capacity of its members, it can
 - more efficiently serve the public interest
 - facilitate expansion of intellectual capital of the profession and scope, quality, availability of actuarial services
- Full Member associations appoint representatives to IAA committees which
 - serve the profession
 - propose standards
 - define syllabus and education requirements
 - prepare briefs and public statements for regulatory bodies (IAIS, IASB, and OECD)



Key Activities

- Published “A Global Framework for Insurer Solvency Assessment”
- Close to finalizing “Measurement of Liabilities for Insurance Contracts: Current Estimates and Risk Margins”
- In the past 3 months, issued 10 public comments responding to consultation from various outside bodies such as IASB, IASCF, IAIS, and IOPS



Key Activities

- Published 12 International Actuarial Standards of Practice, all of which are educational Practice Guidelines
- All but one in respect of actuarial professional services related to the application of the International Financial Reporting Standards (IFRSs) of the IASB
- Will publish an Education Monograph on the Topic of Stochastic Processes and Modeling in Financial Reporting and Capital Assessment



Key Activities

- Major initiative to develop an International Actuarial Education Program (IAEP)
- Program will assist member associations in providing high-level actuarial education
- Open new opportunities for students around the world by providing access to that education



Key Activities

- Will create the Africa Subcommittee of the Advice & Assistance Committee
- Provide advice and assistance that will support the development of the actuarial profession throughout Africa



Key Activities

- Important for the future of the IAA
- Form the direction the IAA will take going forward, in order to meet the challenges the actuarial profession now face
- Council Delegates supported the following Vision, Mission and Values statements as part of the full Strategic Plan package



Strategic Planning - Vision

The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole.



Strategic Planning - Mission

The mission of the IAA, as the worldwide organization of actuarial associations, is:

- to represent the actuarial profession and promote its role, reputation and recognition in the international domain; and
- to promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs.



Strategic Planning - Values

The IAA adheres to the values of

integrity,

accountability,

transparency,

and objectivity

when dealing with Member Associations, other stakeholders and the public.



Strategic Planning - Final Step

- A full package of the IAA Strategic Plan, including Vision, Mission and Values statements, Strategic Objectives and Action Plans, will be presented for adoption at the Council meeting in Cyprus on November 4th.



Strategic Planning - Strategic Objectives

1. Identify, establish, and maintain relationships with key supranational audiences and provide them with actuarial input to improve the soundness of decisions being made on important issues with a global impact.
2. Facilitate the use and expansion of the scientific knowledge and skills of the actuarial profession, including beyond the traditional areas of actuarial practice, to help enhance the scope, availability, and quality of actuarial services offered by individual members of its member associations.



Strategic Planning - Strategic Objectives

3. Establish, maintain and promote common standards of actuarial education, common principles of professionalism and model standards of actuarial practice for use by member associations worldwide.
4. Support the development, organization and promotion of the actuarial profession in areas of the world in which it is not present or is not fully developed.
5. Provide a forum for discussion among actuaries and actuarial associations throughout the world.



Strategic Planning - Implimentation

- Not an easy task by any means
- IAA has the obligation to “contribute to the well-being of the society as a whole” by implementing the strategic objectives to achieve the vision and mission as stated in the proposed Strategic Plan.
- The firm support of the local actuarial associations and the voluntary effort of their individual members are critical!



Thank you very much
for your attention!